

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 20, 2007

Bill Number: H. B. 3323

Author: Harrison and Cotty

Committee Requesting Impact: House EPW

Bill Summary

A bill to amend Section [56-19-265](#), Code of laws of South Carolina, 1976, relating to the Department of Motor Vehicles' (DMV) acceptance of electronically filed lien information for newly acquired vehicles, vehicles already titled, and lien releases, and the collection of a transaction fee for the transmission or retrieval of data from the Department pursuant to this section, so as to provide that if there are one or more liens or encumbrances on a motor vehicle or mobile home, the Department may electronically transmit the lien to the first lienholder and notify the first lienholder of any additional liens, and lien satisfactions, to provide when electronic transmission of liens and lien satisfactions is used, a certificate of title may be issued when the last lien is satisfied and a clear certificate is issued, to provide that when a motor vehicle or mobile home is subject to an electronic lien, its certificate of title is physically held by the lienholder, to provide that a certified copy of an electronic record of a lien is admissible in court as evidence of the existence of a lien, and to provide that a transaction fee may be collected by commercial parties and lenders who transmit or retrieve data pursuant to this section.

REVENUE IMPACT ^{1/}

This bill is not expected to have an impact on state revenues in FY 2007-08.

Explanation

This bill sets certain procedures for electronic transmission of liens on a motor vehicle or mobile home, as an encumbrance and for satisfaction thereof, to and from DMV and first or subsequent lien holders. It further establishes an electronic lien as a certified copy for odometer compliance and as a record for other legal purposes. The bill provides that a new transaction fee of \$10, for either retrieval or transmission of such electronic data, may be collected by commercial parties and lenders as specified. The \$10 fee must be mutually agreed to by all parties and would apply to each transaction. The bill does not alter the current \$5 fee for such data transmission or retrieval collected by DMV, nor does it alter the \$15 title fee required by DMV.

Based on a DMV review of current practices for lien and title transactions, we do not expect any net impact on state revenues from implementation of these new procedures. Since all proceeds of the new \$10 transaction fee would be retained by private firms, it would have no impact on state revenues in FY 2007-08.

Analyst: Di Biase

/s/ William C. Gillespie
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Chief Economist

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).